



# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## YEAR IN REVIEW

This newsletter is dedicated to a review of the year 2000. Labor Force numbers are for the twelve-month period from December 1999 to November 2000.

2000 Nonfarm Payroll Employment is estimated through October based on January through June employment and the monthly sampling of businesses. Nonfarm Payroll Employment is then projected through the end of the year using typical monthly links or five-year average changes, and adjusted for area economic activity.

## LABOR FORCE & EMPLOYMENT

Southeast Idaho Table 1 shows the Pocatello Metropolitan Statistical Area's (MSA) unemployment rate dipped six-tenths of a percentage point to 4.6 percent in 2000 from the 1999 rate of 5.2 percent. The area labor force increased 1.5 percent (620 individuals) over the year, climbing from 40,420 in 1999 to 41,040 in 2000. Employment increased at a faster rate than the labor force, 1.8 percent, showing 710 more individuals working during 2000. Because employment grew at a faster rate than the labor force, the unemployment rate fell. This year, most employment increases were because of new businesses opening in the area.

Higher interest rates and increased fuel prices likely held *Nonfarm Payroll Job* growth down in 2000. The Pocatello MSA nonfarm jobs are projected to increase 2.4 percent in 2000. The increase in year 2000 nonfarm jobs was six-tenths of a percentage point below the 1999 increase of 3.0 percent. Businesses, finding it more difficult to hire workers, may also be working fewer people more hours, which would also contribute to slower job growth.

The major difference in nonfarm job growth from 1999 to 2000 was *where* the growth occurred. In 1999 job growth was evenly split between the *Goods-Producing Industries* and the *Service-Producing Industries*. In 2000, despite major commercial construction projects in the MSA, all job growth was in the *Service-Producing Industries*. Leading job growth was *Services*,

Southeast Idaho Table 1: Labor Force & Employment

Pocatello City MSA (Bannock County)	Projected 2000	1999	% Change From Last Year
INDIVIDUALS BY PLACE OF RESIDENCE			
Civilian Labor Force	41040	40420	1.5%
Unemployment	1870	1960	-4.6%
Percent Unemployed	4.6	5.2	
Total Employment	39170	38460	1.8%
JOBS BY PLACE OF WORK			
<b>TOTAL Nonfarm Payroll Jobs</b>	32833	32048	2.4%
<b><i>Goods Producing Industries</i></b>	4575	4753	-3.7%
Construction	1678	1878	-10.6%
Manufacturing	2897	2875	0.8%
<b><i>Service Producing Industries</i></b>	28258	27295	3.5%
Trans./Comm./Util	1884	1947	-3.2%
Wholesale Trade	1421	1446	-1.7%
Retail Trade	7053	7110	-0.8%
Fin./Ins./Real Estate	1472	1437	2.4%
Services	7860	7041	11.6%
Government Admin.	3441	3401	1.2%
Government Educ.	5127	4914	4.3%

\*\*Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

mainly because of the nearly 700 employees hired at the new Convergys Customer Support Center in Pocatello. Many of the job losses were because fewer new homes were built and existing home sales lagged this year, affecting jobs in *Construction*, *Wholesale Trade*, and *Retail Trade*.

## GOODS-PRODUCING INDUSTRIES

Jobs in the *Goods-Producing Industries* are projected to decline 3.7 percent in 2000. The projected 200 job losses were in *Construction*. The loss of construction jobs occurred mainly in *Nonresidential Contractors*, which does not coincide with the increase in nonresidential construction in Bannock County. Since nonresidential construction activity in the MSA nearly tripled compared to 1999, the change in the number of jobs may be because of how the jobs were reported. Many contractors who do large commercial construction projects work in various locations throughout the state and do not report the jobs in the county where the work is being done.

Changes in *Manufacturing* were widespread; gains and losses occurred in nearly every section within the industry but the industry is projected to gain about 20 jobs over the year. Because of increases in the number of temporary staffing agencies, some jobs in manufacturing plants may be counted in *Services*, not *Manufacturing*. Therefore, the actual number of jobs in manufacturing plants may have grown at a higher rate.

## SERVICE-PRODUCING INDUSTRIES

The *Service-Producing Industries* are projected to grow 3.5 percent in 2000, increasing by 963 jobs. The 2000 growth rate is expected to exceed the 1999 growth rate by five-tenths of a percentage point. Most of the projected growth occurred in *Services*, led by nearly 700 jobs created at the Convergys Customer Support Center in Pocatello.

*Transportation, Communications & Utilities* is estimated to fall 3.2 percent from 1999. *Transportation* sustained most of the job losses in the industry because *Trucking/Courier Services* consolidated their services regionally and closed terminals. In addition, small independent firms leased their trucks to larger operators eliminating about 20 jobs in the area. *Communications* is projected to increase in 2000. Increases occurred in *Telephone Communications* and *Cable and Pay TV Services*, probably because of increased services offered by the communications industry and changing technology in the industry.

*Wholesale Trade* is projected to decline 1.7 percent and *Retail Trade* is projected to decline eight-tenths of a percentage point – driving the *Trade Industry* down by more than 80 jobs. Declines in *Wholesale Trade* were in *Construction Materials, Equipment, and Supplies* because of decreases in residential construction. Declines in *Retail Trade* were in *Lumber and Building Materials, Mobile Home Dealers, New and Used Car Dealers*, and *Gas Stations*. Because *Nonfarm Payroll Employment* counts jobs, some of the decreases may be a trend by retail employers to hire fewer part-time and occasional staff.

Job increases are projected in *Finance, Insurance & Real Estate (FIRE)*, *Services*, and *Government Education*. *Finance, Insurance and Real Estate* increased because credit unions have become more popular as bank mergers change the finance industry and credit unions have begun to offer more services to their customers. *Services* is projected to add nearly 820 jobs because of a new call center opening in the area and higher utilization of staffing services by businesses. Increases in *Government Education* were in *State Education* because of added student employment at Idaho State University.

## AREA ECONOMIC DEVELOPMENTS

In February, tornado's hit the Southeast Idaho area, causing millions of dollars in property damage and knocking out power for up to three days in some areas. Power outages in Bingham County idled hundreds of workers. Southeast Idaho also experienced the worst fire season it has ever had. The fire season started earlier, lasted longer and the fires were much larger than usual. Job growth slowed throughout the entire Southeast Idaho area. Residential construction dipped from its 1999 level, but nonresidential construction kept the economy moving in the right direction. In spite of a slower economy in 2000 than in 1999, many major developments occurred that boosted or at least maintained employment. Several construction projects that began during 2000 will boost employment and spur economic activity in 2001.

## Bannock County

- Alta Animal Hospital built a new \$500,000 facility at 1601 South Bannock Highway in Pocatello. The new facility is the second business to locate in the new Greenway Office Park.
- Supreme Muffler moved into their new facility on the corner of Fourth Avenue and Center Street in Pocatello. The business purchased and demolished a run-down former gas station at that location and built a new facility.
- Jack in The Box opened a new restaurant directly across the street from Supreme Muffler on the corner of Fourth Avenue and Center Street in Pocatello. The restaurant replaces an old bank building at that location and added approximately 50 jobs.
- Carpet City opened at the corner of Main and Hayden streets in Old Town Pocatello, accompanying Ridley's Food Store, Convergys, and Flowers by L.D. in improvements to a depressed area.
- A Big 5 sporting goods store opened on Quinn Road in Pocatello. Construction of the 10,000-square foot facility was completed in October and the store opened in November. Big 5 employs approximately 20 workers.
- Walmart converted its department store in Chubbuck to a Superstore. Construction on the 80,000-square foot expansion began last spring and the super store officially opened in October. The expansion added approximately 160 jobs.
- Fred Meyer moved into its new \$19 million super center at 800 Yellowstone Avenue in Pocatello. Construction of the new 165,000-square foot store began last spring and the store opened November 1<sup>st</sup>. Opening of the super center created approximately 140 new jobs. Tenants in the Fred Meyer complex include Gottschalks, Centrum Hearing, Perfect Look beauty salon, Berrywood Eatery and Juice Bar, and FM Fuel Stop.
- A Subway Sandwich Shop opened in July at 1100 E. Merrill Road in McCammon, adding 12 jobs. This unique Subway also offers fresh donuts, a Noble Roman Pizza Express and breakfast.
- Walgreen is building a new store at the corner of Alameda Road and Yellowstone Avenue in Pocatello. The 12,000-square foot, \$3 million facility will employ approximately 30 workers.
- In April, Don Aslett's Cleaning Center and Varsity Contractors began construction on a new 10,000-square foot facility to house its mail-order business. The \$700,000 facility will free up space at the Cleaning Center on Fifth Avenue for Varsity Contractors and provide for future expansion of the mail-order business.

- Citizens Community Bank began construction of a second full-service branch at 2000 Flandro, in Pocatello. The bank currently operates in a temporary facility at the Flandro location and employs 35 workers.
- Construction began on the Pocatello Professional Plaza. The \$2 million site development, on Buckskin Road, was completed in August and three buildings are under construction now. Tenants expect to move in to the new facility by March 2001.
- Idaho Farm Bureau began construction of their \$10 million facility north of East Center Street in Pocatello. Completion of the 93,600-square foot facility, which includes a two-level parking garage, is expected by November 2001.
- Excavation work is complete and construction has begun on a Home Depot Super Center, near the Pine Ridge Mall, in Chubbuck. The 130,223-square foot center should open during the summer of 2001.
- Pony Express closed operations nationwide and eliminated 22 jobs in Pocatello.

### **Bear Lake County**

A large remodeling and expansion project at Bear Lake High School and residential construction should push the number of *Construction Industry* jobs up in 2000 over 1999. *Retail Trade*, *Services*, and *Government* are expected to increase over the year because of additional jobs at retail stores, medical and dental offices, civil and social associations, and local and federal government. Most of those increases may be offset by decreases in *Wholesale Trade*. Walton Feed decreased employment because the demand for food storage products declined.

- Construction of a \$721,000 addition to Bear Lake High School added construction jobs in Montpelier this year. Completion will add a new weight and wrestling room and provide space to expand.
- The Montpelier business plaza welcomed two new businesses: Bear Lake Family Chiropractic Clinic and Montpelier Fitness Center.
- A to Z Lumber & Components, Incorporated opened in Montpelier, adding two jobs to the area economy. The company sells building materials and installs windows, roofs, and siding.
- Lone Pine Builders opened at 395 North 4<sup>th</sup> in Montpelier. The business employs two people and provides roofing, siding, remodeling, home additions, cement, and backhoe work.
- A new craft and gift store, Apple Blossom, opened at 850 Washington in Montpelier.

### **Bingham County**

*Nonfarm Payroll Employment* in Bingham County should

keep pace with last year and increase between one and two percent. Even though construction permits were down in 2000 from 1999, jobs have remained unchanged because projects started in 1999 continued throughout 2000. Because crop growers had an exceptionally good year in terms of crop production, *Manufacturing*, *Transportation*, and *Trade* should experience increased jobs. Most gains should be in *Services* because of increases in healthcare and social services.

- Fairchild Construction renovated their office building at 70 South Spruce Street in Blackfoot, and welcomed Heartland Real Estate.
- Albertson's Food Store in Blackfoot expanded its facility to 42,000-square feet of space. The expansion houses additional services including a pharmacy; meal, snack, and beverage center; baby care center; pet center; floral department; one-hour photo-processing center; an expanded butcher block; and video rental area.
- Walmart expanded their department store into a Superstore, adding a full service grocery center. The 217,000-square foot remodeling and expansion began last spring and was completed in November. Employment increased by approximately 60 workers.
- Bingham Co-op opened their new hi-tech fertilizer warehouse west of Blackfoot. Construction began on the \$3 million facility last June. Through the use of technology, customers can bring a sample of their soil to be tested and a customized fertilizer mix is made specifically for that soil type. The company hired three new employees and anticipates hiring three or four more part-time employees.
- Farm Credit Services built a new facility near their former building at 10 West Judicial, in Blackfoot. The old building has been sold to McDonald Insurance.
- Construction has begun on a new \$1.8 million Super 8 Motel in Blackfoot. The motel will be located behind Albertson's near Bergner Boulevard and will employ approximately 12 people.
- Construction of a new \$2.2 million Shoshone-Bannock Tribes truck stop in Fort Hall is complete. The truck stop is located off Exit 80 next to the Fort Hall Casino.
- Beatrice Foods closed down most of its operations at the Snake River Cheese plant in Blackfoot, eliminating approximately 45 jobs. In November, Suprema Specialties, Inc., of Paterson, New Jersey purchased the facility and its equipment and will begin operating the plant.

### **Caribou County**

In 1999, the county experienced a net loss of *Nonfarm Payroll Jobs*. A large construction project at Agrium/NuWest should drive *Nonfarm Payroll Jobs* up in 2000. Between 70 and 100 construction jobs have been added and the multi-

plier effect of those jobs should spur growth in most industries. Expect increases in *Transportation*, *Wholesale Trade*, *Retail Trade*, and *Services*. Despite job losses at Chemical Lime in Bancroft and the closure of Kerr-McGee in Soda Springs, *Manufacturing* should remain at about the same level in 2000 as in 1999.

- Monsanto began a multi-million dollar expansion to add a new ISO loading facility at the plant's location in Soda Springs. Completion is expected in March 2001.
- SunRise Jewelry opened at 81 South Main in Soda Springs.
- Chemical Lime, located in Bancroft, reduced their operation and eliminated 13 jobs. The \$35 million limestone processing plant will retain approximately 6 employees.
- Kerr-McGee closed its vanadium and phosphate plant near Soda Springs, and eliminated approximately 45 jobs. The company was losing too much money because of the price of vanadium.

### Franklin County

Construction projects in Franklin County should boost *Nonfarm Payroll* employment during 2000. Preston City's industrial park has landed its first tenant, Bear River Publishing. The county should see growth in almost every industry except *Manufacturing* and *Transportation*, *Communications*, and *Utilities*, which should stay at about the same level as last year. Increases in *Trucking and Courier Services* should offset decreases in *Utilities*. Growth should occur in *Retail Trade* because of an expansion at Stokes Thriftway and opening of new retail businesses. The largest increase will likely be in *Services* spurred by *Agriculture Services*; *Dairy Farms*.

- Pioneer Press chose Preston as the location for a new 35,000-square foot printing plant, Bear River Publishing. Construction of the \$6.5 million plant began in April and should be complete by October 2001. The business will add approximately 50 jobs in Preston.
- McDonald's built a new facility at 195 South State Street in Preston. The business employs approximately 45 people.
- Stokes Thriftway in Preston expanded and remodeled. The project added a new pharmacy, deli, bakery, and the space to locate a bank.
- Leisa's Sandwiches opened on State Street in Preston. The restaurant serves specialty sandwiches, ice cream, and Italian sodas.
- A restaurant serving Mexican food, Los Dos Amigos, opened at 805 South Highway 91 in Preston.

Owners remodeled an existing building at that location to house the restaurant.

### Oneida County

*Nonfarm Payroll Jobs* will likely stay close to the same level in 2000 as in 1999. *Construction* jobs should increase because of the construction of a new church and a new housing development, but closure of Dan's Best-way grocery store in 1999 dropped the number of *Retail Trade* jobs in 2000.

- Construction of a Church of Jesus Christ of Latter-Day Saints in Malad began last July. Completion of the 24,460-square foot construction project is expected by June 2001.
- Malad's Uptown Mall welcomed two new businesses: The Circuit fitness center and Sweet 'n' Stylin beauty shop.

### Power County

Several commercial construction projects throughout the county and expansion at Direct Communications in Rockland should boost *Nonfarm Payroll Jobs* in 2000 over 1999. An exceptional growing season led to fewer jobs in *Agriculture Services* mostly because growers did not have to fight late blight this year.

- Construction began on the new American Falls High School. The \$14 million school is being built south of American Falls on the frontage road. Completion of the school is expected by May 2002.
- Direct Communications moved into their new facility on Main Street in Rockland. The facility houses Direct Communications' telephone, Internet, and call center. The center employs 69 workers and provides service to 17 companies.
- AMS, Inc. of American Falls expanded its GSSI (manufacturing of PowerProbe Direct Push Units and Well Management Systems), engineering and draft operations. The company purchased the old Power County District Highway building on Van Buren Street and remodeled it for their operation.
- Construction of a new \$315,000 Power County Highway District building on Ted Neu Loop, near American Falls, was completed in July. The facility provides more shop space for the county and additional offices.

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